

AJW OFFSHORE, LTD.

c/o Admiral Administration Ltd.
Admiral Financial Center
P.O. Box 32021
5th Floor, 90 Fort Street
Grand Cayman KY1-1208, Cayman Islands

**NOTICE TO SHAREHOLDERS REGARDING CONVERSION TO
MASTER-FEEDER FUND STRUCTURE**

May 9, 2007

Dear Shareholder:

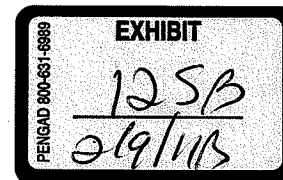
We are writing to inform you that we intend to re-organize AJW Offshore, Ltd. (the "Company") so that it will now form part of a master-feeder fund structure. In this notice, we will describe to you the effect of this conversion.

To effect the conversion, the Company will transfer all or substantially all of its assets to AJW Master Fund, Ltd., a Cayman Islands exempted limited company (the "Master Fund"), in exchange for shares of the Master Fund. Assets currently held by the Company that cannot be transferred due to legal, tax, regulatory or other reasons may continue to be held by the Company; however, the economic benefits of these assets will be passed down to the Master Fund. Going forward, the Company will invest substantially all of the subscription monies that it receives in shares of the Master Fund, and the Master Fund will invest directly in securities and other financial instruments. One of our affiliates will serve as the investment manager of the Master Fund, and will have the sole authority to make investment decisions for the Master Fund. The Master Fund's address will be AJW Master Fund, Ltd., c/o Admiral Administration Ltd., Admiral Financial Center, P.O. Box 32021, 5th Floor, 90 Fort Street, Grand Cayman KY1-1208, Cayman Islands.

Your rights will not be materially adversely affected as a result of the conversion and the Company's overall strategy and risk profile will not change. Rather, instead of the Company making direct investments in securities, the Master Fund will make such investments and the Company will participate in such investments as a shareholder of the Master Fund. Investments made by the Master Fund will be consistent with the Company's investment objective. There will be no management fee or performance fee charged to the Company at the Master Fund level, although the Company will be responsible for its pro rata share of the Master Fund's expenses. The personnel making investment decisions on behalf of the Company will not change and will be the same as the personnel making investment decisions on behalf of the Master Fund. However, there is the possibility that a potential conflict may arise if the interests of the investors in the Company and the interests of the investors in a domestic fund investing in the Master Fund differ regarding tax efficiency (i.e., holding investments longer for capital gains treatment).

We believe that the conversion will be in the best interests of the Company and will also result in certain benefits to you. Most importantly, since the Master Fund will have a larger pool of assets from which to draw, we believe that the Master Fund will be better able to take advantage of available investment opportunities and provide increased liquidity. In addition, converting to a master-feeder fund structure will ease the administrative burden on the Company by allowing us to maintain one set of books

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and records regarding investments at the Master Fund level. By spending less time on administrative matters, we will be able to devote more time to managing your assets.

Initially, the sole shareholders of the Master Fund will be the Company and AJW Qualified Partners, LLC, a New York limited liability company managed by one of our affiliates (the "Domestic Fund"). The Domestic Fund has the same investment strategy as the Company, and will invest in the Master Fund along side the Company. It is possible that other feeder funds will be organized in the future.

We expect the conversion to occur on June 1, 2007. We will notify you after the change in structure takes effect, and will send you amended documentation thereafter. Notwithstanding the foregoing, we reserve the right to delay or not to effect the proposed conversion for any reason. We have the ability to convert pursuant to disclosure made in the Confidential Private Placement Memorandum of the Company, which has been previously distributed.

We appreciate your support and will continue to work diligently in managing the Company's assets. If you have any questions with respect to the foregoing or otherwise concerning your investment in the Company, please contact Corey S. Ribotsky at (516) 739-7110. Thank you very much for your consideration of this matter.

Yours sincerely,

AJW OFFSHORE, LTD.

By: First Street Manager II, Manager

By: _____
Corey S. Ribotsky
Manager

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